

Chapter 4 Segmentation, Targeting and Positioning
Sample Exam Questions

Know the types of strategies that are available after you have segmented a market

1. When deciding how to promote his new medical oncology center, Dr. Jones decided that he did not need to throw a large grand opening reception. Instead, he promoted the center to the internal medicine doctors in the area, who were the doctors most likely to refer patients to the center. Dr. Jones was engaged in a concentrated targeting strategy.

TRUE

A concentrated targeting strategy is one where the organization selects a single, primary target market and focuses all energies on it. In this case, the local internal medicine doctors make up a single target market.

Know the types of segmenting dimensions

2. NASCAR redirected its marketing efforts when a survey indicated that almost fifty percent of its fans were female. This is an example of psychographic segmentation.

FALSE

Segmentation by gender is demographic, not psychographic, segmentation.

3. The Value and Lifestyle Survey (VALS) conducted by SRI Consulting Business Intelligence is a widely used tool for geographic segmentation.

FALSE

VALS is widely used for psychographic segmentation¹⁸. (p. 230) Sally is in the new marketing department of a mid-sized lawn and garden company. She is working on the first marketing plan the firm has ever used. She has defined the mission and objectives, and she just finished a situation analysis for the firm. The next step is to:

A. develop an advertising plan to promote the upcoming sales.

B. find marketing interns or hire new staff to help with implementation.

C. create pro forma financial statements to complete the package.

D. identify and evaluate opportunities by conducting segmentation, targeting and positioning analysis.

E. use the Internet, catalogs and vendor information to draw up a list of new products.

The third step of the strategic marketing planning process, following defining the mission and objectives and conducting a situation analysis, is the STP process.

4. Segmentation, targeting and positioning:

- A. are terms that can be used interchangeably in developing marketing plans.
- B.** are part of a firm's marketing strategy.
- C. should be done simultaneously so synergies can help streamline the effort.
- D. are part of the marketing plan but bear little direct relationship to the marketing mix.
- E. All of these.

The third step of the strategic marketing planning process, following defining the mission and objectives and conducting a situation analysis, is the STP process. Segmentation, targeting, and positioning are not interchangeable concepts--they are three separate steps of the process, and are not executed simultaneously.

5. Adidas Group owns Reebok, Rockport, and Greg Norman brands. Adidas uses the different brands to pursue a(n) _____ strategy.

- A. concentrated targeting
- B. micromarketing
- C. benefit targeting
- D.** differentiated targeting
- E. undifferentiated targeting

A differentiated targeting strategy is one in which different target markets are served by different marketing mixes.

Know the benefits of segmentation and targeting

6. One of the benefits of a differentiated targeting strategy is that it allows the firm to diversify its business and:

- A. decrease advertising spending.
- B. focus on a single market segment.
- C.** lower overall risk.
- D. use undifferentiated strategies in micro markets.
- E. all of these.

Since a differentiated targeting strategy addresses multiple target markets, the firm can diversify its approach and potentially lower overall risk by not relying entirely on one mass market. On the other hand, differentiated strategies can be expensive because of the need to communicate with multiple market segments. The key is to create a sense of monopoly in the customers mind and a downward sloping demand curve so that the firm can be a price setter and not a price taker with respect to the targeted customers.